

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2018-206-E - ORDER NO. 2018-751

NOVEMBER 13, 2018

IN RE: Joint Petition of Duke Energy Carolinas,	)	ORDER GRANTING
LLC and Duke Energy Progress, LLC for an	)	ACCOUNTING ORDER
Accounting Order to Defer Certain Costs	)	TO DEFER COSTS
Related to Grid Reliability, Resiliency, and	)	
Modernization	)	

This matter comes before the Public Service Commission of South Carolina (the “Commission”) pursuant to S.C. Code Section 58-27-1540, S.C. Code Reg. 103-825, and other applicable rules and regulations of the Commission, for an accounting order for regulatory and financial accounting purposes authorizing Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (together the “Companies”) to defer in a regulatory asset certain costs incurred in connection with grid reliability, resiliency and modernization work that is being performed under the Companies' Power/Forward initiative (“Power/Forward”).

The Companies seek to defer the incremental Operating and Maintenance (“OAM”), depreciation and property taxes associated with certain capital assets installed as part of its Power/Forward work, as well as the carrying cost on the investment and on the deferred costs at each utility's weighted average cost of capital, of approximately \$ 17 million for DEC and approximately \$7 million for DEP until the rate effective dates of each Company's next general rate case. The request for relief set forth within its Petition

does not involve a change to any of the Companies' Retail rates or prices at this time or require any change in any Commission rule, regulation, or policy. In addition, the issuance of the requested accounting order would not prejudice the right of any party to address the prudence of these costs in the Companies' next general rate case proceeding.

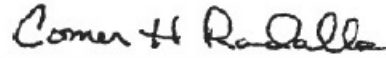
The parties have agreed to the request subject to the conditions set out by the Office of Regulatory Staff (the “ORS”) and agreed to by the various stakeholders, with the understanding that, if challenged at a later rate case or other proceeding, the Company will bear the burden of proof as to reasonableness of the expenditures. The ORS proposed conditions, which we adopt, are:

1. This matter will not preclude the ORS, the Commission, or any other party, from addressing the reasonableness of these costs, any return sought, and including any carrying costs in a subsequent general rate case or other proceeding.
2. DEC and DEP agree to support a future filing by the ORS in the second half of 2019 for a proceeding to adopt guidelines on future deferral requests.
3. The intervenors' position on the deferral request is not dispositive as to any future position on the merits of the Power/Forward Initiative.

IT IS THEREFORE ORDERED:

1. The request for an accounting order to defer costs is granted, subject to the limitations and conditions recommended by the ORS.

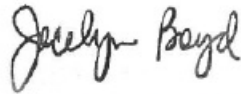
2. This Order shall remain in full force and effect until further order of the Commission.



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Comer H. "Randy" Randall, Chairman

ATTEST:



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Jocelyn Boyd, Chief Clerk/Administrator